

S-E-C-R-E-T

STATUS REPORT

IMPLEMENTATION OF THE CIA RETIREMENT AND DISABILITY SYSTEM

1. Coordination and issuances of Agency regulation

Although Public Law 88-643 authorizing the establishment of the CIA retirement system was approved 13 October 1964, the implementing regulation had to be coordinated with the Budget Bureau and with the Chairman and ranking minority member of your Committee and with the Chairman and ranking minority member of the Senate Armed Services Committee before they were issued.

25X1A In addition, Mr. McCone decided to obtain the advice of an independent
25X1A panel of attorneys concerning the proposed regulation before sending it for these reviews. He appointed [REDACTED] [REDACTED] for this purpose and the draft regulation and background materials, including our hearings before your Committee, were given to them on 29 October 1964. They submitted their report to Mr. McCone on 19 February 1965, advising him that the regulation was consistent with the letter and purpose of the legislation.

Your Chairman and ranking minority member gave their approval to the regulation on 1 March 1965. However, because of Senator Saltonstall's illness, we did not receive approval from the Senate Committee until 27 April. Mr. McCone authenticated the regulation for publication that same date.

2. Establishment of the CIA Retirement Board

On 2 March 1965, Mr. McCone designated a CIA Retirement Board of nine senior officials to advise and assist the Director of Personnel in the administration of the CIA Retirement System. This Board has participated in the development of policies and procedures for the screening of on-duty personnel to determine their eligibility to participate in the system.

3. Screening of On-duty Employees to Identify Those Qualified for Designation as Participants

25X9 The initial group of employees scheduled for screening were those most
25X9 likely to be eligible for retirement, i.e., those age 50 or older with 20 or
25X9 more years of federal service, ten or more years of Agency service, and five
25X1A or more years of qualifying service. The last roster of employees scheduled
for screening was through the 39-35 age group (as of 31 December 1965) and brought the total number of employees called up for screening to [REDACTED]. As of 31 January 1966 action had been recommended in [REDACTED] cases with the result the [REDACTED] have been determined to be eligible for designation as participants and [REDACTED] have been found to be ineligible. A small number of this latter group were ineligible on technical grounds and may well be designated at a later date.

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